

## **TAX SEASON BRINGS FAMILIAR FORMS, MORE PHONE SERVICE**

WASHINGTON -- Many taxpayers will find some good news in the tax packages they will be receiving in the next week from the Internal Revenue Service: familiar forms and an expanded schedule of IRS telephone assistance.

Although the Taxpayer Relief Act of 1997 made many changes in the tax laws, most of them do not begin until 1998, so this year's tax forms look very much like last year's. For example, the Form 1040 has just two new lines -- one for the medical savings account deduction and the other for the adoption credit, both provisions resulting from 1996 legislation.

"For the most part, taxpayers should be able to use last year's tax return as a guide when doing their 1997 return," said IRS Commissioner Charles O. Rossotti.

The biggest change is on Schedule D (Form 1040), "Capital Gains and Losses." Additional lines on page two take taxpayers step-by-step through the new, lower tax rates on capital gains. All taxpayers with capital gains must use Schedule D -- mutual fund investors can no longer put their capital gains distributions directly on Form 1040.

The IRS toll-free help line -- 1-800-829-1040 -- is now open from 7:00 am to 11:00 pm, Monday through Saturday. "Our extra hours should make it easier for taxpayers to get help when they're at home working on their tax forms," Commissioner Rossotti said.

(more)

About 26 million tax packages will have no forms -- just instructions for using TeleFile, the file-by-phone system that 4.7 million people used last year. With TeleFile, a toll-free, ten-minute call may be all a taxpayer needs to do. Only those who receive these packages from the IRS may use TeleFile.

Taxpayers who used a paid preparer last year will not receive a tax package, since preparers almost always use their own forms.

The IRS has forms and publications available to computer users through its Website at *www.irs.ustreas.gov*. TaxFax offers forms and instructions via return fax -- call 703-368-9694 (not toll-free) from a fax machine. Forms and publications are also available by calling (toll-free) 1-800-TAX-FORM (1-800-829-3676).

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